

CALLISTER, DUNCAN
& NEBEKER

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SUITE 800 KENNECOTT BUILDING

SALT LAKE CITY, UTAH 84133

TELEPHONE 801-530-7300

TELECOPIER 801-364-9127

OF COUNSEL
WALLACE R. BENNETT
EARL P. STATEN

LOUIS H. CALLISTER, SR.
(1904-1983)

LOUIS H. CALLISTER
ADAM M. DUNCAN
RICHARD H. NEBEKER
GIFFORD W. PRICE
GARY R. HOWE
W. CLARK BURT
L. S. McCULLOUGH, JR.
FRED W. FINLINSON
DOROTHY C. PLESHE
JOHN A. BECKSTEADT
JEFFREY N. CLAYTON
JAMES R. HOLBROOK
STEVEN L. INGLEBY
CHARLES M. BENNETT³
W. WALDAN LLOYD
H. RUSSELL HETTINGER
ROBERT S. PRINCE
JEFFREY L. SHIELDS
STEVEN E. TYLER
RANDALL D. BENSON
RICHARD K. NEBEKER
R. WILLIS ORTON
RUSSELL C. KEARL

GEORGE E. HARRIS, JR.⁴
ANDREW C. HESS⁵
ROBERT N. WILKINSON
R. KIRK HEATON⁴
T. RICHARD DAVIS
SCOTT A. CALL
DAMON E. COOMBS
JOHN P. MULLEN
STEVEN R. ELLINWOOD
E. DOUGLAS CLARK
PAUL R. INCE²
DAVID W. SCOFIELD
BRIAN W. BURNETT
ANDRÉS DIAZ
LYNDA COOK
JOHN H. REES
MARK H. EGAN
P. BRYAN FISHBURN
RICHARD L. KING
RICHARD C. CALLISTER
JAN B. HOWARD
MARK D. PALMER
DAVID R. WRIGHT

¹ ALSO MEMBER ARIZONA BAR
² ALSO MEMBER CALIFORNIA BAR
³ ALSO MEMBER FLORIDA BAR
⁴ ALSO MEMBER MISSOURI BAR
⁵ REGISTERED PATENT ATTORNEY

March 31, 1988

RECEIVED
APR - 1 1988

DIVISION OF
OIL, GAS & MINING

TO CALL WRITER DIRECT

Frank Filas
Reclamation Engineer
Mined Land Reclamation Program
3 Triad Center
Suite 350
Salt Lake City, Utah 84180-1203

RE: Interpace Industries, Inc.

Dear Mr. Filas:

Although I have not had the pleasure of meeting you, I had an opportunity to meet with Ken May and David Wham of your office last week regarding Interpace Industries' compliance with the Utah Mined Land Reclamation Act, Utah Code Ann. Title 40, Chapter 8.

Since my initial contact with your office, I have had an opportunity to talk with Ron McFadden, who is the Vice President of Finance for Interpace, and George Beamer, an Engineer in that company, regarding compliance with your regulations. Mr. Beamer stated that he would be contacting Mr. Lowell Braxton of your office regarding the mine reclamation plan and the conditions outlined by Mr. Braxton in his letter of February 9, 1988.

I would very much like to discuss with you, on behalf of Interpace, the reclamation cost estimate on the Clinton Pit, which you calculated February 9, 1988, and the appropriate surety, which the State will require on this property. Based on Mr. Braxton's letter of February 9, 1988, he desired to have the reclamation bond submitted no later than April 1, 1988. Because this firm has just recently been contacted by the company, and because I have had some difficulty getting together with you, I trust you will extend that deadline, and allow me to negotiate on behalf of Interpace Industries, a surety with which you would be comfortable.

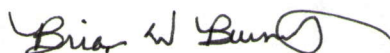
Although a company this size has financial difficulty complying with all of the regulations imposed by government, it desires to comply with the law, and I believe that a solution can be reached on these issues, which will make everyone feel comfortable.

Frank Filas
March 31, 1988
Page Two

I will be contacting you next week to set up a date to discuss these issues and resolve any unsolved problems. If you have any questions, please feel free to contact me.

Very truly yours,

CALLISTER, DUNCAN & NEBEKER



Brian W. Burnett

BWB:dsf

cc: Lowell Braxton
Kenneth May
Ronald McFadden
George Beamer

BWB009

I met with Brian Burnett on April 6, 1988. I recommended to him that he pursue a bank letter of credit or an escrow account for bonding purposes. Brian will also probably submit local contractor's quotes in ^{an} effort to reduce the unit costs for equipment.

F. FILAS